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9491
RECORDATION NO. Filed & Recorded

JUN 29 1978 -2 20 PM

INTERSTATE COMMERCE COMMISSION

June 28, 1978

Secretary of the Interstate
Commerce Commission
Room 1227
Washington, DC 20423

Re: ICC Recordation of Security Interest
in Railroad Rolling Stock

Dear Secretary:

Pursuant to Section 49 U.S.C. 20c, we are enclosing \$50.00 and the original and five certified true copies of a June 26, 1978, Security Agreement to be recorded by the ICC.

The names and addresses of the parties to the enclosed Chattel Mortgage Security Agreement are as follows:

1. Debtor-Mortgagor

Merle C. Garvis
1012 20th Street, N.W.
Washington, D.C. 20036

2. Secured Party-Mortgagee

Union First National Bank of Washington
740 15th Street, N.W.
Washington, D.C. 20005

Secretary of the Interstate
Commerce Commission

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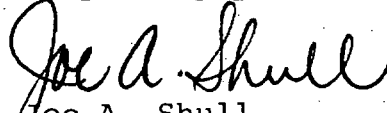
June 28, 1978

The general description of the equipment covered
by the enclosed Security Agreement is as follows:

Two, seventy ton, fifty foot, six inch
"XF" type Boxcars having identifying
markings, OCTR, representing the lessee
railroad, Octoraro Railway, Inc., and
the designated serial numbers OCTR 109 & OCTR 110.

Kindly return the original and three copies to
this office.

Very truly yours,


Joe A. Shull

mrs

Enclosure

BETWEEN Merle C. Garvis

740 15th Street, N.W., Washington, DC 20005

WITNESSETH:

To secure the payment of an indebtedness in the amount of \$ 60,000.00 with interest, payable as follows at the rate of 12% per annum, principal and interest to be paid as follows: Interest only payable in 180 days from the date of execution in the amount of \$ 3,600.00, and thereafter principal and interest payable in 114 equal and successive monthly installments in the amount of \$ 884.48 each, and one final successive monthly installment in the amount of the then remaining principal balance and all accrued and unpaid interest thereon; said installments commencing 180 days from the date of this note. Interest after maturity (whether by acceleration or otherwise) shall be payable at a rate of 3% above the effective rate, at maturity; provided, however, that in no event shall the total FINANCE CHARGE payable exceed the maximum permitted to be charged under applicable law of the District of Columbia.

as evidenced by a note or notes of even date herewith, and also to secure any other indebtedness or liability of the Debtor to the Secured Party direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including all future advances or loans which may be made at the option of the Secured Party, (all hereinafter called the "obligations") Debtor hereby grants and conveys to the Secured Party a security interest in, and mortgages to the Secured Party,

- (a) the property described in the Schedule herein which the Debtor represents will be used primarily
- ☐ for personal, family or household purposes
- ☐ in farming operations
- ☒ in business or other use
- (b) all property, goods and chattels of the same classes as those scheduled, acquired by the Debtor subsequent to execution of this agreement and prior to its termination
- (c) all proceeds thereof, if any,
- (d) all increases, substitutions, replacements, additions and accessions thereto
- (the foregoing (a), (b), (c) and (d) hereinafter called the collateral).

1. DEBTOR WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

PAYMENT	1a. To pay and perform all of the obligations secured by this agreement according to their terms.
DEFEND TITLE	1b. To defend the title to the collateral against all persons and against all claims and demands whatsoever, which collateral except for the security interest granted hereby, is lawfully owned by the Debtor and is now free and clear of any and all security interests, claims, charges, encumbrances, taxes and assessments except as may be set forth in the schedule.
ASSURANCE OF TITLE	1c. On demand of the secured party to do the following; furnish further assurance of title, execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this agreement, execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of the Secured Party in collateral and pay all costs of filing in connection therewith.
POSSESSION	1d. To retain possession of the collateral during the existence of this agreement and not to sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of same without the written consent of the Secured Party.
LOCATION	1e. To keep the collateral at the location specified in the schedule and not to remove same (except in the usual course of business for temporary periods) without the prior written consent of the Secured Party.
LIENS	1f. To keep the collateral free and clear of all liens, charges, encumbrances, taxes and assessments.
TAXES	1g. To pay, when due, all taxes, assessments and license fees relating to the collateral.
REPAIRS	1h. To keep the collateral, at Debtor's own cost and expense, in good repair and condition and not to misuse, abuse, waste, allow to deteriorate except for normal wear and tear and to make same available for inspection by the Secured Party at reasonable times.
INSURANCE	1i. To keep the collateral insured against loss by fire (including extended coverage), theft and other hazards as the Secured Party may require and to obtain collision insurance if applicable. Policies shall be in such form and amounts and with companies as the Secured Party may designate. Policies shall be obtained from responsible insurers authorized to do business in this state. Certificates of insurance or policies, payable to the respective parties as their interest may appear, shall be posited with the Secured Party who is authorized, but under no duty, to obtain such insurance upon failure of the Debtor to do so. Debtor shall give immediate written notice to the Secured Party and to insurers of loss or damage to the collateral and shall promptly file proofs of loss with insurers. Debtor hereby appoints the Secured Party the attorney for the Debtor in obtaining, adjusting and cancelling any such insurance and endorsing settlement drafts and hereby assigns to the Secured Party all sums which may become payable under such insurance, including return premiums and dividends, as additional security for the indebtedness.

* provided however, that ~~the xxxxxxxx~~ lease of the collateral to OCTORARO RAILWAY,
INC., ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ is hereby consented to by the Secured P.

LOAN USE OF PROCEEDS	1j If this agreement is security for a loan to be used to pay a part or all of the purchase price of the collateral; to use proceeds of the loan to pay the purchase price, closing fees and insurance premiums. The Secured Party however, may pay the proceeds directly to the seller of the collateral.
CHANGE OF ADDRESS	1k To immediately notify the Secured Party in writing of any change in or discontinuance of Debtor's place or places of business and/or residence.
AFFIXED TO REALTY	1l That if the collateral has been attached to or is to be attached to real estate, a description of the real estate and name and address of the record owner is set forth in the schedule herein; if the said collateral is attached to real estate prior to the perfection of the security interest granted hereby, Debtor will on demand of the Secured Party furnish the latter with disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the collateral which prior to Secured Party's interest.
NOTES	2. GENERAL PROVISIONS: 2a Notes, if any, executed in connection with this agreement, are separate instruments and may be negotiated by Secured Party without releasing Debtor, the collateral, or any guarantor or co-maker. Debtor consents to any extension of time of payment. If there be more than one Debtor, guarantor or co-maker of this agreement or of notes secured hereby, the obligation of all shall be primary, joint and several.
NON-WAIVER	2b Waiver of or acquiescence in any default by the Debtor, or failure of the Secured Party to insist upon strict performance by the Debtor of any warranties or agreements in this security agreement, shall not constitute a waiver of any subsequent or other default or failure.
NOTICES	2c Notices to either party shall be in writing and shall be delivered personally or by mail addressed to the party at the address herein set forth or otherwise designated in writing.
LAW APPLICABLE	2d The Uniform Commercial Code shall govern the rights, duties and remedies of the parties and any provisions herein declared invalid under any law shall not invalidate any other provision of this agreement.
DEFAULT	2e The following shall constitute a default by Debtor:
non-payment	Failure to pay the principal or any installment of principal or of interest on the indebtedness or any notes when due.
violation	Failure by Debtor to comply with or perform any provision of this agreement.
misrepresentation	False or misleading representations or warranties made or given by Debtor in connection with this agreement.
levy	Subjecting of the collateral to levy of execution or other judicial process.
insolvency	Commencement of any insolvency proceeding by or against the Debtor or of any guarantor or of surety for the Debtor's obligations.
death	Death of the Debtor or of any Guarantor or of surety for the Debtor's obligations.
impairment of security	Any reduction in the value of the collateral or any act of the Debtor which imperils the prospect of full performance or satisfaction of the Debtor's obligations herein.
REMEDIES ON DEFAULT	2f Upon any default of the Debtor and at the option of the Secured Party, the obligations secured by this agreement shall immediately become due and payable in full without notice or demand and the Secured Party shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the collateral and disposition of the proceeds as are accorded to a Secured Party by the applicable sections of the Uniform Commercial Code respecting "Default", in effect as of the date of this Security Agreement.
acceleration	
attorneys' fees etc.	Upon any default, the Secured Party's reasonable attorneys' fees and the legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising, and selling the collateral shall be chargeable to the Debtor.
deficiency	The Debtor shall remain liable for any deficiency resulting from a sale of the collateral and shall pay any such deficiency forthwith on demand.
monies advanced	If the Debtor shall default in the performance of any of the provisions of this agreement on the Debtor's part to be performed, Secured Party may perform same for the Debtor's account and any monies expended in so doing shall be chargeable with interest to the Debtor and added to the indebtedness secured hereby.
seizure	In conjunction with, addition to or substitution for those rights, Secured Party, at his discretion, may: (1) enter upon Debtor premises peaceably by Secured Party's own means or with legal process and take possession of the collateral, or render it unusable, or dispose of the collateral on the Debtor's premises and the Debtor agrees not to resist or interfere; (2) require Debtor to assemble the collateral and make it available to the Secured Party at a place to be designated by the Secured Party reasonably convenient to both parties (Debtor agrees that the Secured Party's address as set forth above is a place reasonably convenient for such assembling); (3) unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of a public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice will be met if such notice is mailed, postage prepaid, to the address of the Debtor shown above, at least three days before the time of sale or disposition.
assembling collateral	
notice of sale	2g Secured Party may assign this agreement and if assigned the assignee shall be entitled, upon notifying the Debtor, to performance of all of Debtor's obligations and agreements hereunder and the assignee shall be entitled to all of the rights and remedies of the Secured Party hereunder. Debtor will assert no claims or defenses Debtor may have against the Secured Party against the assignee.
FINANCING STATEMENT	2h The Secured Party is hereby authorized to file a Financing Statement.
CAPTIONS	2i The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this agreement nor the intent of any provision thereof.
	2j The Debtor covenants and agrees to cause to be plainly, distinctly, permanently and conspicuously marked upon the side of the collateral the following words in letters not less than 1" in height: UNION FIRST NATIONAL BANK OF WASHINGTON, SECURED PARTY. In case, during the continuance of this Security Agreement, any such marking on the collateral shall at any time be painted over or otherwise be made inconspicuous, removed, defaced or destroyed, the Debtor shall immediately cause the same to be restored or replaced.
	2k The Debtor covenants and agrees that it will cause this Security Agreement and all amendments, supplements and assignments hereto to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, at Debtor's sole cost and expense.
	2l In the event that the collateral shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Debtor or the Secured Party, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in loss of use for a period of 60 days (such occurrences being hereinafter called Casualty Occurrences), the Debtor shall promptly and fully notify the Secured Party with respect thereto. In the event of a Casualty Occurrence, the obligations secured by this agreement shall, at the option of the Secured Party, immediately become due and payable in full without notice or demand.
	2m The provisions of this agreement and all the rights and obligations of the parties hereunder shall be governed by the laws of the District of Columbia.

PAGE 2-A OF SECURITY AGREEMENT

2n The Debtor covenants and agrees to supply the Secured Party with current financial statements of Debtor, including income and net worth information, annually during the term of this agreement. Failure of the Debtor to make such statements available shall constitute a default hereunder.

2o The Debtor hereby assigns to the Secured Party, as additional collateral for the obligations secured hereby, all payments now or hereafter due Debtor from Railcar Inc., Management Company, provided, however, that until there be a default hereunder, the Debtor may collect and enjoy such payment without accountability to the Secured Party, provided that such payments are collected not more than thirty (30) days in advance of when they are legally due and payable.

2p The Debtor hereby warrants and represents that the loan secured hereby is transacted solely for the purpose of carrying on or acquiring a business or commercial investment.

2q The Debtor agrees to use his best efforts to assure that the collateral is operated in full compliance with all applicable government and industry rules, regulations, and laws.

2r The Debtor agrees to supply the Secured Party with copies of all management and accounting reports received by Debtor covering the operation of the collateral.

2s The Debtor agrees to not allow the collateral to be removed from the continental United States, except for Canada, without the prior written consent of the Secured Party.

2t The Debtor, upon the request of the Secured Party, will annually execute a Certificate of Compliance, stating that to the best of Debtor's knowledge, he is in compliance with all the terms and conditions of this Security Agreement, except for any enumerated deficiencies.

The terms, warranties and agreements herein contain shall bind and inure to the benefit of the respective parties hereto, and their respective legal representatives, successors and assigns.

The gender and number used in this agreement are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

This agreement may not be changed orally.

IN WITNESS WHEREOF, the Parties have respectively signed and sealed these presents the day and year first above written.

SECURED PARTY:

UNION FIRST NATIONAL BANK OF WASHINGTON

By: X Robert S. Cherouny

[Corporate Seal]

DEBTOR: X Merle C. Garvis

Merle C. Garvis [SEAL]

[SEAL]

SCHEDULE

Describe items of collateral, the address where each item will be located and describe any prior liens, etc., and the amounts due thereon. If items are crops or goods affixed or to be affixed to real estate describe the real estate and state the name and address of the owner of record thereof.

Items

Location, etc.

Two (2) 70 ton, 50 foot, 6 inch rigid underframe boxcars, known as "XF" type cars, serial numbers OCTR 109 and OCTR 110.

Leased to the Octoraro Railroad.

District of Columbia

On this 23rd day of June, 1978, before me personally appeared Merle C. Garvis to me personally known, who being by me duly sworn, acknowledged that they executed the foregoing instrument as their free act and deed.

[Notarial Seal]

James R. [Signature]
Notary Public

My commission expires: 1/2/81

District of Columbia

On this 26th day of June, 1978, before me personally appeared Robert S. Cherouny, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President UNION FIRST NATIONAL BANK OF WASHINGTON, that the seal affixed to the foregoing instrument is the seal of said national bank; that said instrument was signed and sealed on this day on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

[Notarial Seal]

Helen J. Sullivan
Notary Public

My commission expires: 1/2/81

Security Agreement
(Chattel Mortgage)

to

Dated, 19

WAIVER BY LANDLORD AND/OR OTHERS

The undersigned, being the owner, mortgagee, landlord and/or lessor of the Debtor's premises, and knowing that the Secured Party relies hereon, does hereby waive, relinquish and release to the Secured Party or any holder of the security agreement all right of levy or distraint for rent and all other claims and demands of every kind which the undersigned has or may have against the collateral, this waiver to continue until termination of the security agreement.

WITNESS the hand and seal of the undersigned this day of 19

To perfect lien, file UCC 1 (see UCC §9-403)
N.Y. CONSUMER GOODS OR FARM CONNECTED COLLATERAL:
—resident debtor: with filing officer in county of debtor's residence.
—non resident debtor: Dept. of state; if debtor has a place of business in only one county in N. Y., also with filing officer of such county.
—crops: Dept. of state and also with filing officer in county where land, on which crops are grown, lies.
FIXTURES attached to realty: in county where land lies.
ALL OTHER CASES: Dept. of state; if debtor has a place of business in only one county in N. Y., also with filing officer in such county.
"filing officer": in N.Y.C., the City Register of the county; elsewhere in state, the county clerk.
N.Y. CONSUMER GOODS OR FARM CONNECTED COLLATERAL:
—with clerk of county of debtor's residence.
—if non-resident debtor, in county where goods are kept.
—crops: in county where land lies.
FIXTURES attached to realty: with register of county where land lies; with county clerk if no register.
ALL OTHER COLLATERAL: with secretary of state.
CONN.: FIXTURES attached to realty: with clerk of town or city where land lies.
ALL OTHER COLLATERAL: with secretary of state.

GUARANTEE

The undersigned guarantees prompt and full performance and payment according to the tenor of the within agreement, to the holder hereof, and, in the event of default, authorizes any holder hereof to proceed against the undersigned, for the full amount due including reasonable attorneys' fees, and hereby waives presentment, demand, protest, notice of protest, notice of dishonor and any and all other notices or demand of whatever character to which the undersigned might otherwise be entitled. The undersigned further consents to any extension granted by any holder and waives notice thereof. If more than one guarantor, obligation of each shall be joint and several.

WITNESS the hand and seal of the undersigned this day of 19

(L.S.)

Residence.....

Business Address.....

File Name.....

DISTRICT OF COLUMBIA, ss:

I, Janet L. Ream, a Notary Public
in and for the District of Columbia, hereby certify that I
have examined the original Security Agreement dated
June 26, 1978, and executed by Merle C. Garvis
 , and find the attached copy to be a true copy
of the original Security Agreement in all respects.

Dated: June 27, 1978

Janet L. Ream
Notary Public, D.C.

My Commission Expires:

My Commission Expires March 31, 1981

BILL OF SALE

June 26, 1978

Fruit Growers Express Company ("FGE") hereby transfers
to Merle C. Garvis

("Buyer") FGE's interest in the 70-ton
50'6" XF type freight Car(s) identified on the schedule attached
hereto, delivery to take place at Georgetown, South Carolina.

FGE hereby warrants to the Buyer that, at the time of
delivery of the Car(s), FGE has legal title to the Car(s) and
good and lawful right to sell the Car(s) and that the Car(s)
are free of all claims, liens, security interests and other
encumbrances of any nature. FGE further covenants to defend
the title to the Car(s) against the demands of all persons
whomsoever based upon claims originating prior to the delivery
of the Car(s) by FGE.

FRUIT GROWERS EXPRESS COMPANY

By 

President

[CORPORATE SEAL]

SCHEDULE OF DELIVERY

OF

70-TON, 50'6" XF TYPE FREIGHT CARS

RAILROAD REPORTING MARKS

OCTR 109
OCTR 110